

Session 13-23 a Regular Meeting of the Homer City Council was called to order on November 25, 2013 at 6:03 p.m. by Mayor Mary E. Wythe at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: BURGESS, HOWARD, LEWIS, ROBERTS, VAN DYKE, ZAK

STAFF:

CITY MANAGER WREDE
CITY CLERK JOHNSON
CITY ATTORNEY KLINKNER
CITY PLANNER ABBODD
COMMUNITY & ECONOMIC DEVELOPMENT COORDINATOR
KOESTER
FINANCE DIRECTOR LI
LIBRARY DIRECTOR DIXON
PERSONNEL DIRECTOR PETERSEN
POLICE CHIEF ROBL
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Council met for a Special Meeting from 4:03 p.m. to 4:33 p.m. in Executive Session to discuss Lobbyist Anderson Group, Performance and Contract. From 4:33 p.m. to 4:50 p.m. Council met for a Worksession to discuss the 2014 Budget. Council met as a Committee of the Whole from 5:02 p.m. to 6:00 p.m. to hear from Matt Steffy on the recreational needs assessment and discuss the 2014 Budget and Consent Agenda and Regular Meeting Agenda items.

Department Heads may be called upon from time to time to participate via teleconference.

AGENDA APPROVAL

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 1.24.040.)

The following changes were made: **PUBLIC HEARINGS - Ordinance 13-44**, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2014 for the General Fund, the Water-Sewer Fund, the Port/Harbor Fund, Debt Funds, and Capital Reserve Funds (Conditional Expenditures). City Manager. Written public comments. **CITY ATTORNEY REPORT** - City Attorney Report for October 2013. **RESOLUTIONS - Resolution 13-113**, A Resolution of the City Council of Homer, Alaska, Approving a New Two Year Contract in the

Amount of \$40,000 Per Year with Anderson Group, LLC for Legislative Consulting and Lobbying Services. City Manager. Written public comments.

Mayor Wythe called for a motion for the approval of the agenda as amended.

LEWIS/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

There were no public comments.

RECONSIDERATION

CONSENT AGENDA

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- A. Homer City Council unapproved Regular meeting minutes of October 28, 2013. City Clerk. Recommend adoption.
- B. **Memorandum 13-154**, from Deputy City Clerk Re: Liquor License Ownership Transfer for Kharacters.
- C. **Resolution 13-110**, A Resolution of the City Council of Homer, Alaska, Approving a Memorandum of Agreement Between the City of Homer and the Kachemak Nordic Ski Club Regarding the Maintenance and Operation of Nordic Ski Trails on City Owned Land in the Baycrest Ski Area. City Manager. Recommend adoption.
- D. **Resolution 13-111**, A Resolution of the Homer City Council Reissuing the Request for Proposals for the 1% for Arts Program on the Homer Spit Trail Phase II Project. City Clerk. Recommend adoption.

Memorandum 13-155 from Deputy City Clerk as backup.

- E. **Resolution 13-112**, A Resolution of the City Council of Homer, Alaska, Confirming that the City will Provide Local Matching Funds in an Amount Up to \$800,000 for Repair, Replacement, and Rehabilitation of Infrastructure and Facilities at the Homer Small Boat Harbor Load and Launch Ramp. City Manager/Port and Harbor Director. Recommend adoption.

Memorandum 13-156 from Community and Economic Development Coordinator as backup.

Mayor Wythe called for a motion for the approval of the recommendations of the consent agenda as read.

LEWIS/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. **Gary Fandrei**, Cook Inlet Aquaculture Association

Gary Fandrei of Cook Inlet Aquaculture Association (CIAA) provided a PowerPoint presentation on the association's current projects. The non profit regional association exists to protect self-perpetuating salmon stocks and habitats upon which they depend; rehabilitate self-perpetuating salmon stocks; rehabilitate salmon habitat; and maximize the value of the Cook Inlet (Area H) common property salmon resource by applying science and enhancement technology where appropriate.

They have a large Board of Directors that represent different user groups for the entire Cook Inlet. The CIAA covers the Cook Inlet watershed which follows the boundaries of the Kenai Peninsula Borough, the City of Anchorage, and the MatSu Borough. The CIAA is funded by the 2% salmon enhancement tax, cost recovery licensing, and grants and contracts for fish production. Since 1996 they have secured \$12.5M in grants that are dedicated to salmon enhancement rehabilitation work. Their headquarters are in Kenai with primary hatchery facilities in Moose Pass, Eklutna, and Tutka Bay. The largest secondary facility is located at the Paint River fish ladder site.

The CIAA does a number of stocking projects; most are in the lower Cook Inlet. Flow control structures are located in a number of areas. They also monitor a number of projects, most are

in Susitna. Habitat projects are done as permitted. The Tutka Bay Lagoon Hatchery is a state-owned facility and the CIAA has operated the site since 1992. In 2004 they mothballed the facility due to low pink salmon prices. In 2010 the price of pink salmon rebounded and the CIAA has now reopened the hatchery. This year they have eighty million eggs collected and put into the facility which should produce one hundred million fry. The program at full capacity should produce four million adults, each weighing three pounds. It computes to \$3,360,000 in revenue. The current net pen location site does not work well since it is in the lagoon. CIAA would like to move it outside the lagoon to the head of Tutka Bay to raise fish in a better area.

Another project is the Leisure and Hazel Lakes project out of Moose Pass. It is a red salmon program the CIAA has been running for a number of years. They produce 3.25 million fry for release and those fish return every year. CIAA has been working on the Port Graham Hatchery for a year and a half. It was operated by the Port Graham Hatchery who has asked CIAA to take the facility over and operate it for pink salmon. They are working out agreements and anticipate inking the deal the first of the year. They hope to put eggs in the facility next August. Both Tutka Bay and Port Graham need work in capital improvement projects.

Asked by Councilmember Zak about activities on the Anchor River, Mr. Fandrei answered the Anchor River is not an area they have been real active in. They have done habitat work in the upstream parts. CIAA looks for systems that seem to be neglected or have not got a lot of attention through Fish and Game. CIAA generally works in remote areas not easily accessible. The State does a lot on the Anchor River already. CIAA has one facility that has king salmon mentioned in its basic operations plan, but they don't have any permits for king salmon work. There is a disease problem with king salmon that could transfer to red salmon.

B. Linda Anderson, Anderson Group, Lobbyist

Linda Anderson, Anderson Group, provided an overview on next year's legislative session. The Legislature will be going into session the middle of January; 90 days of what some say is chaos, but there is a plan and a product. It includes the City of Homer priorities and making sure whatever is dealt in Juneau includes Homer's hand in the mix. Revenues will be tighter this year. In the last six years the capital budget has ranged from \$700M to \$2B. This year it is expected to shrink back down. The Governor will set a bench mark for what the capital budget will look like. As Homer City Council prioritizes their capital projects, Mrs. Anderson urged them to make sure they are shovel-ready. It will help advance projects and will be something Homer's delegation can work with. There are 60 legislators and it takes 21 and 11 votes to make things happen. People outside Homer's delegation will ask our legislators about the projects.

The Legislature will be considering a bond bill for some type of infrastructure. The State has a good bond rating and still enjoys a lot more revenue. When there are shrinking revenues we

deal with revenue sharing funding. It is always front and foremost. The lobbyists' job is to make sure the City of Homer is poised to consider options of what to support or not. In times of budget crunch the Alaska land radio mobile network is always on the chopping block. When money is tight that project is brought forward as unnecessary. They expect workers compensation reform as a big issue due to increased rates. There are three rate drivers, the Medicaid rate, the usage of workers' compensation, and legal fees. The natural gas energy conversion program has been endorsed by the City of Homer in the past and the goal is to get a senate bill to move forward and gain momentum.

Eric Marshall, Cub Scout Pack 555, told Council that he and his pack were attending the meeting to get their citizen's patch.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

- A. Borough Report
- B. Commissions/Board Reports:
 - 1. Library Advisory Board
 - 2. Homer Advisory Planning Commission
 - 3. Economic Development Advisory Commission
 - 4. Parks and Recreation Advisory Commission

Deb Lowney, Parks and Recreation Advisory Commissioner, provided an overview of the commission's work. A group of commissioners met with Angie Otteson at the Poopdeck Trail and did major clearing to make it more user friendly and increase visibility. They will revisit the area in the spring. The Karen Hornaday Park pavilion is near completion; the focus is now on the next phase. They are excited to work toward implementation of the Land and Water Conservation Grant. The commission just wrapped up a collaborative effort for park signage. They aim to get signage in parks and on trails. Commissioner Brann secured a trailhead figure for the sign and plaque at the Waterhead Trail. The commission has been trying to listen to Recreate Rec exploring the many issues associated with recreation. They visited the HERC building and discussed the need for a community forum to discuss the building and what may replace it. The commission voices strong support for funding a parks and recreation needs assessment to gain accurate feedback from the community. It is a community wide effort to address the community's needs. Teen activities and transportation are identified as two top services lacking in the community. The top five needs include: public transportation, teen youth resources, teen activities, affordable indoor recreation, and recreational indoor activities. The needs assessment will address top concerns voiced by the community and will

have the community look at the economic impact recreation has. For both mental health and physical benefits the money invested will service the community in a positive way.

Matt Steffy, Parks and Recreation Advisory Commissioner, advocated for the recreation needs assessment. It will gather information of the community needs, what the community is made up of. A path or plan can then be mapped out to meet those needs. The commission's role is to gather public information. He is a strong advocate for the recreation needs assessment as it will provide a lot of different information. It is important that we know what the community wants and where it is going. If the recreation needs assessment is not funded it will be done hodgepodge.

5. Port and Harbor Advisory Commission

A. Memorandum 13-159, from Port and Harbor Director, Re:
Recommendation for Seafarer's Memorial Parking Lot Expansion.

C. Thank You from the Pratt Museum for FY 2013 Funds

PUBLIC HEARING(S)

A. **Ordinance 13-42(A)**, An Ordinance of the City Council of Homer, Alaska, Amending the Definition of "Discontinued" in Homer City Code 21.61.015, Definitions, to Extend the Time Required to Discontinue a Nonconforming Use from 12 Months to 24 Months. Zak. Introduction October 28, 2013, Refer to Planning Commission, Public Hearing and Second Reading November 25.

Mayor Wythe opened the public hearing. In the absence of public testimony Mayor Wythe closed the public hearing.

The Planning Commission will be holding a public hearing at their December 4th meeting. Their recommendations will be sent to Council.

ROBERTS/ZAK - MOVED TO POSTPONE ORDINANCE 13-42(A) TO DECEMBER 9TH FOR SECOND READING.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 13-43**, An Ordinance of the Homer City Council Authorizing the Expenditure of Homer Accelerated Water and Sewer Program (HAWSP) Funds for Paradise Place Sewer Main Extension and Approving the Creation of a Deferred Assessment on Benefitted Properties. City Manager/Public Works Director. Introduction October 28, 2013, Public Hearing and Second Reading November 25, 2013.

Memorandum 13-150 from Public Works Inspector as backup.

Mayor Wythe opened the public hearing. In the absence of public testimony Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 13-43 by reading of title only for second and final reading.

LEWIS/BURGESS – SO MOVED.

Councilmember Roberts questioned why some lots could be deferred while we would not defer payment for other people.

City Manager Wrede advised this is not a formal LID (Local Improvement District/Special Assessment District) that would ask all property owners if they wanted to be part of it. In the case of an LID all property owners would be included if there was a majority of support for the improvement. This is a case where a private property owner wants to extend the main to his house. Adjacent property owners were asked, but did not want to be part of the improvement district. We have done this in the past and it is a reasonable approach.

Councilmember Burgess commented the way the proposal is presented causes confusion. It seems like we are imposing on private landowners. We have said if you are a private entity you can pay to bring water and sewer to your house. The City has shouldered the additional cost, and if people ever connect they will need to pay for the connection. The only other alternative is to make the person requesting the connection pay more money, have the City keep track of it, and credit the property owner as connections are made. If people want to have water and sewer to their property we should make it possible and encourage them to do that.

Mayor Wythe asked if we are prepared to do the same for every property owner at the end of the road that wants to pay their share of the installation when vacant properties on their road don't pay. If we do this we are establishing a new precedent and every day is a new opportunity for it to become a financial burden on the city.

Councilmember Burgess noted we have \$6M in the HAWSP and HART funds. When we make investments in infrastructure that have the potential to build out the system and bring costs down for others, we should encourage people to hook up. We have done it three times before and have received legal advice to proceed.

Councilmember Roberts wants to expand the water and sewer system too. We have done so in the past to benefit city-owned properties, but we have not set a precedent with private owned property.

Public Works Director Meyer commented Homer City Code says if you are within 200 ft. of a main you must connect. There is no situation in the past where we have forced someone to connect. The cost of an onsite system will preclude that from happening. Anyone that builds a residence on that lot will connect to sewer. Homer City Code includes some rules that we can enforce, but have not done so in the past.

City Attorney Klinkner advised most sources of financing for constructing a home on the property will require that they connect if service is available.

VOTE: YES. LEWIS, BURGESS, HOWARD, ZAK, VAN DYKE

VOTE: NO. ROBERTS

Motion carried.

- C. **Ordinance 13-44**, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2014 for the General Fund, the Water-Sewer Fund, the Port/Harbor Fund, Debt Funds, and Capital Reserve Funds (Conditional Expenditures). City Manager. Introduction October 28, 2013, Public Hearings November 25 and December 9, 2013, and Second Reading December 9, 2013.

Memorandum 13-137 from City Manager, Re: Amendments to Employee Health Insurance Plan.

Memorandum 13-138 from Fire Chief, Re: Fire Department Budget Requests.

Memorandum 13-157 from Personnel Director, Re: Fully-Insured Health Plan Proposals as backup.

- D. **Resolution 13-107**, A Resolution of the City Council of Homer, Alaska, Maintaining the City of Homer Fee Schedule at Current Rates. City Clerk. Recommended to follow Budget Ordinance 13-44 schedule.

- E. **Resolution 13-108**, A Resolution of the City Council of Homer, Alaska, Maintaining the Port and Harbor Terminal Tariff No. 600 at the Current Rates. City Clerk. Recommended to follow Budget Ordinance 13-44 schedule.

Mayor Wythe opened the public hearing on Ordinance 13-44 and Resolutions 13-107 and 13-108.

Robert Archibald, city resident, asked that the parks and recreation staff be increased to maintain the new restrooms and other facilities.

Adele Groening, Assistant Director of the Bunnell Street Arts Center, commented on the success of the Old Town project. The success of their project is that they made a plan. They funded a person to collect community input, gather needs, and assess what was needed. She advocated for the recreation needs assessment.

Weatherly Bates, city resident, asked Council to support Homer recreation expansion. There is a huge need for recreational activities and community recreation space to encourage healthier habits.

Shanly Kerls, homeschool teacher and tutor, asked Council to consider making the children's librarian a full time position. She is at the library five days a week and sees the traffic that comes in the library. She sees 50 to 60 young children there at a time for story hour. When you support your children at an early age it reduces the homeless, drugs, and dropout rates.

Gail Edgerly, Homer Council on the Arts, expressed excitement about the recreation needs assessment. She is happy it will include arts and culture. She noted the different events this past weekend that attracted sell out shows. We need a space to promote art and culture; a place where teens can have activities to express themselves and feel valued in the community.

Charlene Flyum, city resident, supports the recreational needs assessment. It will be helpful to have hard facts to identify the economic, sociological, and cultural impact to the community.

Kathy Beachy, representing Homer Little League, supports the recreation needs assessment. She is excited about the community coming together to maintain the fields and recreation to combine it as a venue to keep kids involved.

Keri Ann Baker, new city resident, is impressed with every city employee she has run into. Mr. Riley, the city clerks, and the police officer that pulled her over for speeding have been very nice. She is proud of Council for the service they are providing.

Dave Branning, CEO at South Peninsula Behavioral Health Services, expressed approval for the recreation needs assessment. Funding for recreational arts and culture is directly in line with their organization's long term facility vision. A cooperative community space will not carry the stigma associated with some current facilities.

Christine Szocinski, city resident and wife of employee, commented on the cuts to the insurance benefit package. She cannot afford the increases and asked Council to make sure they have exhausted all fields.

Kate Crowley, city resident and Recreate Rec Group, advocated for the recreation needs assessment. To date \$5,828 has been pledged for the assessment. It is contingent on Council passing the \$35,000 allocation. There is value in the assessment and she would like to see something on the October 2014 ballot. In October Council passed a resolution to lift the deed restrictions on the HERC site. It was not enough time for the community to comment and she hopes it comes back to the community again.

Mayor Wythe closed the public hearings.

LEWIS/ROBERTS - MOVED TO AMEND FOR THE TRANSFER OF FUNDS FROM PARKS AND RECREATION (\$25,000) AND PLANNING (10,000) FOR THE FUNDING OF THE RECREATION NEEDS ASSESSMENT.

Discussion ensued if \$35,000 was enough for the recreation needs assessment. The MAPP (Mobilizing for Planning and Partnership) study already has a lot of data and the assessment can draw from that.

VOTE: (amendment) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Burgess commented on employee healthcare and wages. Employee healthcare costs have gone up \$600,000 - \$800,000 per year to almost 20% of our operating budget. It worked well in the past to have the self insurance plan, but those days are over. We are now in an uncertain insurance environment. Council asked Walt to control the costs; to find a reasonable figure. Last year \$30,000 was spent on a staff wellness program. The costs continue to go up. In the old plan it was highly advantageous for a large family to be covered under the plan. There was virtually no deductible and no copay. Employees will pay 400% more because they paid almost nothing before. From a private sector comparison the non buy up plan is still a good plan. We are going to lose good qualified people by raising the healthcare costs. We have good police officers and competent city staff. It is a tough decision, but we need to do what is in the best financial long term interest of the community. We don't

need to feel bound in for a year to having a self-insured healthcare plan. Council is trying to strike a happy balance and do what is best for the community's tax dollars.

City Manager Wrede commented cutting the employees' benefits is the hardest thing he has had to do in the eleven years he has been with the City. We feel like we did the best job we could and delivered the product. We looked at a lot of plans and options and have kept the costs at \$1,500 per month per employee. As the city manager he has to tell Council they cannot afford what they are doing. He appreciates any support for city employees. They are valuable and are doing a good job. He worries about competitiveness. He doesn't have the power to make it better. Council is going to have to cut entire programs, or raise more money. He had to bring Council a balanced budget. He doesn't see the way out unless Council is willing to take bold steps.

Councilmember Howard commented the bold step is to reinstate the food tax.

Councilmember Lewis asked if employees could be given \$1,500 per month to get their own plan.

City Manager Wrede asked to stick with the new healthcare insurance plan for one year. We don't know what is going to happen with the exchanges and private sector bids. We don't know if there will be changes in how people use the plan. We don't see this as a long term solution. We may recommend going to the private sector next year. An option is to give everyone \$1,500 and have them shop for insurance on their own. Some employees have already shopped around and were surprised at what they found.

City Attorney Klinkner issued a caution on that alternative. Although he is not an expert on employee benefits he has a colleague that is. If you write people a check and tell them to buy their own health insurance that is after tax dollars.

Mayor Wythe added it becomes taxable income to the employee, but a tax write-off at the end of the year. There is a pay or play provision if you employ more than 50 people. If you choose not to provide benefits there is a penalty. Her disappointment is that we talked about it this summer and didn't hear anything more about it until after it was rolled out to the employees. We had two meetings to make it happen. The first meeting in January we are going to put health benefits on every agenda until we resolve this more favorably for our employees. We do not pay adequately to attract or retain qualified individuals. People left other work to come to work with the City based on this health insurance plan as a total of their compensation plan. She requested if this moves forward that Council is committed to working on this project every single council meeting between now and resolution, with resolution being reached very early in the year. The employees we have now will not be able to sustain this and we will not be able to maintain those employees and cannot afford not to have qualified employees working for us.

Councilmember Roberts understands the missing sales tax is \$900,000; this is the amount short on health insurance. It is not likely to cover it more than a year and resolve the problem long term. She knows it is an important issue. Council is not an insurance rate setting organization. We hired Jeff Paxton at \$40,000 and have Andrea; those are the people we need to talk to. We do not want to politicize rate insurance writing policies. She is supposed to look at the budget and the expenditures of the taxpayers of Homer's money. She is not to spend her time thinking about different ways to balance up insurance policies.

Councilmember Howard can't imagine any more new information than what we already have. We are talking about funding. How are going to pay for it? It is somewhat of an assurance after looking at eighty plans. It comes down to it is expensive and we want to keep good people. So how are we going to pay?

Mayor Wythe asked if as a Council we believe having qualified employees is a top priority, are we prepared to say we don't have \$40,000 for a recreation assessment, funds to contribute to non profit support, funds for a librarian, all of the non essential functions of a First Class city? We are required to provide water and sewer, safety, and maintain city streets. Are we prepared to say those are our priorities and we are going to provide those services and ensure employees we hire are qualified to do that? Everything that doesn't fall on those four items are on the chopping block until we have met those items.

Councilmember Zak is willing to put this as a priority. Let's not throw any programs or employees under the bus. It is something we have to address and the City Manager has brought us a plan for \$1,500 per month per employee. We need to keep addressing health care until we get it addressed. It doesn't mean we need to cut the budget apart now or cut programs. He has heard loud and clear from the voters to not bring up a non food sales tax.

Councilmember Howard commented all the stuff will be funded and the budget will pass. In January we will have already spent the money that we should not have. While we're talking about it in January, February, and March the employees are doing with \$400 to \$600 a month less. She questioned what we are getting more information about, as they are not insurance people. Take action now and be responsible.

Councilmember Lewis asked that an ordinance to reinstate the non prepared foods sales tax be placed on the first January meeting agenda. If all the groups want to be funded they will need to be here to support it.

Mayor Wythe commented at the conference of mayors last week the big issue was healthcare. The State is pulling the teacher's groups back into the state pool to increase the size of the pool. The mayors are happy to have discussion of extending the pool to communities. They will look at costs to move out of self funding to group insurance. We don't know if municipalities are excluded from the Obamacare fifty or more employees mandate. She

would like to make the commitment to city employees we are willing to put a little extra effort to finding out the options out there.

HOWARD/BURGESS - MOVED TO AMEND TO PAY FOR TWO SEASONAL EMTS BY ELIMINATING THE LOBBYIST POSITION (\$22,000), ELIMINATING FUNDS TO THE HOMER FOUNDATION (\$19,000), AND REDUCE THE PRATT MUSEUM CONTRIBUTION BY \$20,000.

Councilmember Burgess expressed opposition as the lobbyist is needed and is a good value. He is amiable to funding \$20,000 out of the general fund.

Councilmember Roberts expressed opposition as she wants to retain the lobbyist and doesn't agree with taking \$20,000 from the Pratt Museum. She agrees that we have given The Homer Foundation quite a bit of money as of late. She questioned the need for three EMTs.

Councilmember Lewis noted the money previously given to The Foundation goes into the endowment fund to generate funds for later. The \$19,000 budget allotment is used for grants for non profits or schools, different than the Permanent Fund allocations.

Councilmember Howard pleaded that we have serious issues and Council won't give up past things. We can't get anywhere when we keep wallowing in the same mess. If we want to say no EMTs tell the Chief, the citizens, and the visitors.

VOTE: (amendment) YES. HOWARD, BURGESS

VOTE: NO. ROBERTS, LEWIS, ZAK, VAN DYKE

Motion failed.

BURGESS/HOWARD - MOVED TO AMEND TO TRANSFER \$22,000 FROM THE GENERAL FUND, ELIMINATE THE FUNDING OF THE HOMER FOUNDATION FOR \$19,000, AND REDUCE PRATT MUSEUM FUNDING BY \$20,000 FOR THE PURPOSE OF REQUESTING TWO SEASONAL EMTS.

Councilmember Roberts expressed opposition as the Pratt is trying to have a million dollar building program. Taking \$20,000 from them right now doesn't make any sense to her.

Councilmember Burgess commented he is not proposing any budget increases except those that generate revenue streams for the City. As a first class city the taxpayers have said do only those things you can afford; cut all extraneous things.

Councilmember Howard asked if the folks at museum and chamber are struggling with employee problems as much as we are.

Councilmember Roberts noted the amendment will not increase any non profits; this amendment reduces the budget to one non profit.

VOTE: (amendment) YES. HOWARD, VAN DYKE, BURGESS

VOTE: NO. LEWIS, ZAK, ROBERTS

Mayor Wythe broke the tie vote with a YES.

Motion carried.

City Manager Wrede commented the contribution from the general fund would only need to be \$15,000 instead of \$22,000.

HOWARD/LEWIS - MOVED TO AMEND TO FUND THE AUTHORIZED POSITION OF DISPATCHER BY CUTTING OVERTIME OF THE POLICE PATROL BY \$20,000 AND THE REMAINING \$50,000 WOULD COME FROM THE NEW PROJECTED TAX REVENUES.

Mayor Wythe asked if this is overtime that can't be allocated to another purpose.

Police Chief Robl answered overtime that can't be taken away is used for staffing on holidays. Overtime for the police patrol has been overfunded in the past and it is safe to make this cut.

Councilmember Roberts asked if it will be easier to fill another dispatch position.

Police Chief Robl answered filling the positions in public safety are always a challenge. Being short on dispatchers is a separate issue. It is a critical pressing need to have the dispatch position restored. He could argue for two more dispatchers easily and to increase patrol staff and add the jail position that was cut. The last five years the dispatch has been a revolving door; dispatch has left due to the workload. They are often working alone and work tremendous amounts of overtime to fill holes of not being fully staffed. Morale suffers. The position is critical. The overtime budget in dispatch is \$64,000 over projection this year. To fill in holes of dispatch he has moved a jail officer into dispatch and an officer into the jail. There is an experienced dispatcher that works for Walt in Administration that works in dispatch to fill holes. They have knocked down every door to keep dispatch staffed and are close to not being able to staff dispatch. We could possibly dispatch patrol officers through Soldotna, but there is no way to dispatch our fire department from Soldotna. If we lose dispatch we would only be able to have KESA handle fire calls.

VOTE: (amendment) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

BURGESS/ROBERTS - MOVED TO AMEND FUNDING FOR THE CHAMBER OF COMMERCE FROM \$40,000 TO \$50,000 AND FUND WITH GENERAL FUND REVENUES.

Councilmember Burgess noted every community that has a large tourist draw is marketed with city funds or by a visitor center. The City spends zero dollars marketing ourselves. The City of Seward markets themselves and there is a noticeable trend as to how much more is spent there. The Chamber of Commerce markets us and is the only organization that maintains a visitor center. The \$10,000 allocation will go a lot further in generating sales tax revenue.

Councilmember Lewis offered support. MatSu spends over \$1M on television advertising, as does Seward. Last year we started seeing television advertisements for Homer. We compete with Seward who is closer to Anchorage and has the train. We don't have the train so we have to market ourselves. He hopes the Chamber supports us when we need added revenue.

Councilmember Howard cannot support the amendment. She asked the Chamber if they would help support the food tax and they run for the hills. She asked them to help support a bed tax and they run further for the hills. She finds out that they don't charge sales tax for the goods they sell.

VOTE: (amendment) YES. VAN DYKE, LEWIS, ZAK, ROBERTS, BURGESS

VOTE: NO. HOWARD

Motion carried.

Mayor Wythe called for a recess at 8:08 p.m. and reconvened the meeting at 8:20 p.m.

ORDINANCE(S)

CITY MANAGER'S REPORT

A. City Manager's Report

1. Deep Water Dock Tidelands: As noted in prior reports, the City has applied for conveyance of approximately 13 acres of state owned tide and submerged lands under and around the Deep Water Dock. The City current has a long term lease with the State and the Department of Natural Resources (DNR) for use of these lands. Conveyance of title to the City is important because it will facilitate proposed dock expansion and provide the City with more control over uses of the dock. DNR is presently in the process of evaluating the City's request. It has reached a preliminary finding and proposes to convey the land. We are currently in the public comment period on the proposed conveyance. A copy of the public notice is attached for your

information. After the comment period closes, DNR will produce a Final Findings and Decision.

2. Kachemak Drive Path: Attached for your information are two letters from the Homer Foundation and the Homer Area Trails Group regarding a recent presentation to the Council from Homer Area Trails.
3. AAHPA Resolutions: Attached are a set of resolutions that were recently adopted by the Alaska Association of Harbor and Port Administrators. We bring these to you for your information. Bryan will be available to discuss them if you wish. If Council wants to adopt a similar City resolution(s) we can bring them forward for consideration at the next meeting.
4. Deep Water Dock Feasibility Study: Good news here. The amended TORA is now (finally!) signed and we hope to begin the feasibility study soon.
5. Mariner Lagoon: You may have noticed that the entrance to the Lagoon has been closed by recent storms and the result was a big lake. The City, in cooperation with the Corps of Engineers, has dredged the entrance when necessary in order to maintain flushing action and prevent erosion and damage to bird habitat. At the time this report was written, the Public Works Department was preparing to re-open the entrance in response to public comments and concern.
6. Proposed New Legislation: The Alaska Department of Fish and Game has permitting authority in the Kachemak Bay and Fox River Critical Habitat Area. You will recall that there is a conflict between this plan and relevant state statutes regarding whether a drill rig can moor at the Deep Water Dock and put its legs down. ADF&G has strongly recommended that legislation is needed to address this problem. We are taking this issue on and Katie will be working with ADF&G and our legislators to craft legislation for introduction this session.
7. Improvements at Load and Launch Ramp: This agenda contains a resolution which pledges that the City will provide a 25% match for the proposed load and launch ramp improvements. The source of the funds is yet to be determined as you can see from the Now Therefore Be It Resolved clause. Attached is a memorandum from Katie which discusses some of the possible funding sources. Council may want to consider whether it wants to add this project to the CIP List. It is not there now but putting it there might help leverage funds from other sources.
8. Public Safety Building: At the time this report was written, the RFP for GC/CM proposals was being prepared and we anticipate it will be on the street prior to the meeting. We have tried to project how long it might take before we get some preliminary cost estimates and the soonest might be late February or early March. Keep in mind that we need to advertise, select a proposal review team, select a contractor, draft a scope of work and a contract, have Council approve the contract, and commence work. This process takes time. Recall that one of the first things you want them to do is evaluate several sites. In light of this, and the fact that community buy-in with this project seems tenuous at best right now, Council might want to re-evaluate its lobbying strategy for this upcoming session.

9. Grant Aviation: The City has settled its lawsuit against Grant Aviation for \$25,000. We have received the funds and are in the process of dismissing the lawsuit.
10. New Port and Harbor Building: The most recent committee meeting was very productive. Based upon the meeting, the staff has given new direction to the architects. Cost savings and budget cuts were requested in some key areas and other possible sources of money were identified to fund some features of the proposed design. The consultants were asked to prepare new costs estimates for the Committee meeting on December 4.
11. Planning Commission Initiative: I recently attended a Planning Commission workshop to discuss traffic calming and pedestrian safety. The Commission is interested in this topic, wanted an update on what was being done in this area (if anything) and if there was a role it could play. I provided updates on where we are and discussions to date. We agreed that an appropriate role for the planning staff would be to take the lead in drafting a policies and procedure manual with assistance and input from Public Works, Police, and the Transportation Committee. The Commission would review the document and send it to the Council for final approval.

City Manager Wrede referenced the letter and newly adopted water and sewer rates that are going out to customers with their November and December bills. The rates are also listed on the city website. Councilmember Burgess asked that customers who disconnect for the season also get notice.

City Manager Wrede reported talks have begun on the tidelands and submerged lands around the docks. The City is about to get conveyance of the tidelands. The municipal boundary is close; it goes across two docks, but some of the land is outside city limits. There has been some talk about expanding city limits. Councilmember Burgess has taken a real interest in it and would like to set up a workshop soon to talk about boundaries.

He complimented Port and Harbormaster Bryan Hawkins for making this month's *Pacific Fishing* choice as "Port of the Month." At the recent 2013 Pacific Marine Expo in Seattle there was a lot of marketing from the Marine Trades Association and the Chamber of Commerce for the Port of Homer. The Harbormaster found a lot of people are excited about Homer. People in the industry knew of plans to expand the harbor.

Katie Koester will take the lead in working with Fish and Game, the Department of Natural Resources, and legislative legal staff to fix the problem of drill rigs mooring at the Deep Water Dock. The Alaska Department of Fish and Game has permitting authority in the Kachemak Bay and Fox River Critical Habitat Area. There is a conflict between the critical habitat plan

and state statutes whether a drill rig can moor at the Deep Water Dock and put its legs down. ADF&G has strongly recommended that legislation is needed to address this problem.

Councilmember Howard commented on Resolution 13-112, expressing regret that she did not pull the resolution from the consent agenda. We have a budget and should only entertain the design that is in the budget. There should be no additional lanes in the ramps. City Manager Wrede assured her that \$800,000 was pledged and Resolution 13-112 provides the option to look for more money. The least expensive option is desired. Fish and Game said if we can pledge \$800,000 that would be good. Councilmember Howard asked that it be placed on the Port and Harbor Advisory Commission agenda as they have a right to weigh in.

City Manager Wrede noted we are moving ahead with instructions Council provided on the new public safety building. Carey is preparing a Request for Proposals for GC/CM. He is concerned about the building at this point if it is really ready for prime time with the legislature. We are just asking for engineering and design money. We will not have any numbers at all until March. First Council asked us to analyze the sites and we don't have a site plan for sure. City Manager Wrede doesn't know that the community is on board. When we go to the legislature we assure them the project has been thoroughly vetted. Although he thinks it is a good project he doesn't know what the successes are for this year. A lot of groups have real concerns about the project for a variety of reasons.

Councilmember Howard recounted the Saturday workshop on the Capital Improvement Plan where Council got wind the legislature would be looking at public safety buildings as their top priority. She asked what instructions we would give to the lobbyist. City Manager Wrede answered the lobbyist would appreciate direction, as would he and Katie. They will do their best to argue for the public safety building, but may be premature with it. The project may be more fully developed next year.

Councilmember Burgess noted we are asking the legislature for planning and design funds. He has heard objections about the location. We desperately need a new EMS infrastructure for the community. It is not super important as to where it goes. There has not yet been a place set. The legislature is interested in transportation and public safety issues. We should work hard to take advantage of that opportunity.

City Manager Wrede noted if the public safety building stays as the main project, we will do the best job we can. There are folks concerned about the fiscal project, of building a Taj Mahal we can't maintain. Department of Corrections and Alaska State Troopers are both

interested and would like to help fund the building. There is also grant money available for Emergency Operation Centers. We will try hard to get the information out there. We are not planning a million dollar project that the citizens will pay for on their own.

Mayor Wythe commented it is set as a five-year plan and we are just requesting funds to do the preliminary design work. We need to keep it on our priority list and look for assistance for studies. We are approaching it as a five-year plan and this is a top priority on our five-year plan.

Councilmember Burgess noted we could be better at communicating it to the public. The public safety building could be a recreational component. We are asking for funding so we don't have to spend the money to build it. It would be better to use state or federal funds so the taxpayers don't have to fund it.

CITY ATTORNEY REPORT

City Attorney Klinkner reported the Grant Aviation lease issue was settled on favorable terms to the City. The final decision on Auction Block from the Federal Maritime Commission will be issued on December 9th. Mr. Klinkner will be at the December 9th meeting to report on it.

Councilmember Lewis asked if the City gets a favorable ruling from the Maritime Commission can it be appealed? Attorney Klinkner answered the appeal would then go to the Federal Circuit Court of Appeals.

He offered the services of the benefits specialist in their law firm to make a presentation related to healthcare at a Worksession. She can be available by Skype or phone.

COMMITTEE REPORT

- A. Public Arts Committee
- B. Transportation Advisory Committee

Francie Roberts, Chair of the Transportation Advisory Committee, reported they met in November and heard a presentation on roundabouts. The committee completed their yearly review of the HART Policy and had a discussion about safe streets. They discussed the Capital Improvement Plan meeting schedule, which may not fit into their meeting schedule.

- C. Permanent Fund Committee
- D. Lease Committee

- E. Port and Harbor Improvement Committee
- F. Employee Committee Report
- G. Port and Harbor Building Task Force

PENDING BUSINESS

NEW BUSINESS

- A. **Memorandum 13-158**, from Port and Harbor Director, Re: Recommendation for No Wake Buoy for Harbor Entrance.

Mayor Wythe called for a motion for the approval of the recommendations of Memorandum 13-158 to fund the purchase of the no wake zone float buoy from the 2013 operating budget.

HOWARD/LEWIS – SO MOVED.

City Manager Wrede recommends the money come from the port and harbor reserves.

Port and Harbor Director Hawkins told Council we can take out of this year's budget and get it ordered.

City Attorney Klinkner advised Memorandum 13-158 should be amended to strike the last part of the sentence on the recommendation after \$7,000.

BURGESS/LEWIS - MOVED TO FOLLOW THE ATTORNEY'S ADVICE TO STRIKE THE LAST PORTION OF THE FINAL SENTENCE: "AND THAT THIS PROJECT BE FUNDED OUT OF PORT AND HARBOR RESERVES INSTEAD OF OPERATIONS BUDGET."

The no wake buoy will bring awareness to speeding. The first time violation for speeding is \$100 and it progressively increases. Signage in the harbor at the load/launch ramp and the JJ Float off the end of the fuel pier would be good areas.

VOTE: (amendment) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Random patrols will be made and cameras will be used to enforce speeding violations. The Police Department will write citations on behalf of the harbor.

VOTE: (main motion as amended) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

RESOLUTIONS

- A. **Resolution 13-113**, A Resolution of the City Council of Homer, Alaska, Approving a New Two Year Contract in the Amount of \$40,000 Per Year with Anderson Group, LLC for Legislative Consulting and Lobbying Services. City Manager.

Mayor Wythe called for a motion for the adoption of Resolution 13-113 by reading of title only.

LEWIS/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Jim Lavrakas, Executive Director of the Homer Chamber of Commerce, thanked Council for having faith in the Chamber and renewing their contract for 2014. They will have a webcam at the harbor in the summer of 2014. There are other statewide initiatives they will be working on. He will be happy to sit down with Councilmember Howard and talk about her concerns.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner had no comment.

COMMENTS OF THE CITY CLERK

City Clerk Johnson welcomed Councilmember Van Dyke, stating it was a tough meeting for his initiation. She wished all a Happy Thanksgiving.

COMMENTS OF THE CITY MANAGER

City Manager Wrede told Mr. Lavrakas that he feels his pain because the rest of us are always trying to make Barbara happy too. That's what we do. He wished everyone a Happy Thanksgiving.

COMMENTS OF THE MAYOR

Mayor Wythe is happy to see Mr. Van Dyke here for his first meeting. Hopefully it was not too grueling; it is an opportunity to learn plenty when we are going through the budget cycle. She thanked John Li for the budget preparations and changing the format that makes it very easy to use. She appreciates the time and effort he has put into the budget. We contributed funds to the Chamber, but she wonders about the Marine Trades Association. We participate with them when they go south for their solicitations and the City will use their booth, but she doesn't think we are making any financial contributions. They are the best supporters and promoters of the harbor. She went to the Conference of Mayors last week. There are a lot of things going on around the state. The State of Alaska is pulling the teachers back into the State's plan to increase their pool size. They would entertain having municipalities bring their employees back into that pool. It is something to consider to improve our health insurance benefit. She spoke to them about putting forth legislation to have the State establish a funding pool to help with matching funds for harbor expansion improvements. She is on the hook to bring something to them when they have the Conference of Mayors in Juneau.

COMMENTS OF THE CITY COUNCIL

City Councilmember Van Dyke said being the new guy, it's been fun. The City Clerk is on my like list.

Councilmember Burgess thanked the Webelos for coming in and hopes they didn't put too many of them to sleep. He thanked the presenters that talked about the aquaculture association and the recreation needs assessment plan. He thanked tonight's speakers for their eloquence and being on topic. Rather than view the difficult situation the community is in from a budgetary standpoint, those that feel we are defunding precious programs, or those that feel we are not doing enough to service core functions, he encouraged you rather than come to Council to demonize them or find fault, to reach out to the polar opposite and create a consilience on your own and help to be part of the solution. We all come here with pet programs and fail to create the cohesive vision. Then Council is left without a cohesive vision and to pick up the pieces of not enough money. Rather than react, form larger cohesive visions of what you want for the community, and be willing to talk with each other and be willing to compromise so we can all have the most bang for our buck.

Councilmember Zak thanked the MAPP group for meeting and continuing in that effort. We and a lot of people have the vision of the many pieces that make up a community when we do make up the budget. There are chunks of money we cut tonight. It took a lot of work to get them into the budget. We are looking forward to continuing to work for all of the aspects of the community.

Councilmember Lewis wished everyone a Happy Thanksgiving. Remember to shop at local small businesses on Black Friday. The Anchorage Daily News had a great article about what small businesses give back to the community. Shopping online does not give anything back

to local towns. Last weekend there was a great hockey tournament with three different schools coming here. When editorials come out it would be nice if they fact checked their information and presented true, honest facts.

Councilmember Roberts commented it is a very difficult time when Council has to deal with budget issues. Everyone would like to fund at the highest level. She appreciates the discussion on employee health insurance. There are no good solutions, but there are ideas to work towards. She welcomed Gus and looks forward to working with him some more.

Councilmember Howard had no comment.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 8:57 p.m. The next Regular Meeting is Monday, December 9, 2013 at 6:00 p.m., Committee of the Whole at 5:00 p.m., and a Special Meeting at 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

JO JOHNSON, MMC, CITY CLERK

Approved: _____